



# REACTION PAPER

Public Consultation Document  
***Producer Responsibility Scheme  
on Plastic Beverage Containers***

## INTRODUCTION

We would like to affirm our views on the preliminary observations and recommendations outlined in the Consultation Document, which have covered the relevant issues in the field of extended producer responsibility regarding plastic beverage containers. We hope to supplement and lend our support to the Consultation Document by highlighting several points and providing recommendations referenced from our previous publications as part of our response. We firmly believe that the following suggestions could help improve the Environmental Protection Department's efforts on the producer responsibility scheme to be more holistic, comprehensive, and effective.

Our recommendations to the Consultation Document are categorized into three main areas:

- Achieving a higher recovery rate
- A more convenient collection network
- A further role of the suppliers



## SECTION I

# **ACHIEVING A HIGHER RECOVERY RATE**

Paragraph 4.2 of the Consultation Document suggests **EPD provide a rebate under the proposed PPRS to incentivise the public to return plastic beverage containers.**

Paragraph 4.4 furthers stipulates that **a rebate of 10 cents is provided for the return of a plastic beverage container at designated return points.**

V'air Hong Kong welcomes the proposal of designing a rebate programme to motivate the public and achieve a higher recovery rate. To realise this goal and to further promote Hong Kong's waste reduction and recycling on a considerably larger scale, **we strongly recommend** EPD include GREEN% (electronic) points and "School Plastic Bottle Deposit Pilot Scheme for Green Schools 2.0" in the PPRS:

## RECOMMENDATION 1.1

### **Support GREEN% Cards as one of the electronic payment methods on RVMs**

**WE ACKNOWLEDGE** that providing monetary incentives could – to a certain extent – encourage the public into returning plastic beverage containers via the RVMs in the short-term. Nonetheless, **WE WORRY** that the dichotomy between the RVMs and the GREEN@Community would hinder the spillover effect that could be created by the two strategies for the public to continuously and regularly use the RVMs for recycling.

In our view, regardless of the administrative complexity, the RVMs should be integrated into the new community recycling circuit to generate synergy. **WE SUGGEST** that the rebate programme of the RVMs should be compatible with the existing GREEN\$ (electronic) points under GREEN@Community. This allows the public to conveniently utilise points gained from both schemes to encourage recycling behaviour. It also reflects EPD's determination in constructing a comprehensive recycling network.

## RECOMMENDATION 1.2

### Implement “School Plastic Bottle Deposit Pilot Scheme” in all schools

While difficulties of implementing the Plastic Bottle Deposit Scheme across the city exist, **WE STILL WOULD LIKE TO SUGGEST** EPD to investigate the possibility of running a pilot scheme for all schools in Hong Kong. Nowadays, more countries are working towards the combination of education with government scheme with the message to promote reduction, reuse, recycle, and collection. For instance, in the UK, a plastic pollution mitigation charity has been operating the School Plastic Bottle Deposit Scheme since January 2019. Its efforts in providing educational resources for schools, an e-learning portal based around plastic waste and recycling, has reaped encouraging results: 60,000 plastic bottles have been collected in just four months from RVMs installed in 16 schools.

Incorporating the School Plastic Bottle Deposit Pilot Scheme into the “Green School 2.0” initiative and allowing school meal contractors to own the rebates from returning plastic beverage containers to the RVMs may serve as a solid incentive when establishing a comprehensive system for the take-back and deposit-refund service.





SECTION II

# **A MORE CONVENIENT COLLECTION NETWORK**

Paragraph 4.6 of the Consultation Document suggests that **retailers selling beverage carried in plastic containers provide take-back and rebate redemption services.**

Paragraph 4.7 further highlights that **the take-back of plastic beverage containers and rebate redemption can be done manually or automatically through the application of RVMs.**

V'air Hong Kong welcomes the proposal to empower retailers to provide take-back and rebate redemption services. Indeed, we believe that the retail industry plays a vital role in the proposed PPRS to boost the recovery rate of plastic beverage containers. Nonetheless, it is disappointing to hear from Hon Shiu ka-fai in a LegCo meeting that the retail industry objects to EPD's proposal due to business considerations and hygiene issues. **We recommend** EPD explore the possibility of providing small stores with reasonable monetary incentives to gain support from businesses.

## RECOMMENDATION 2.1

**Set up the handling fee financed by the Recycling Fund for small stores to cover their costs of providing take-back and rebate redemption services**

**WE UNDERSTAND** that there would be outstanding costs to small stores regarding manual returns and extra workloads. In light of that, several countries have set up a handling fee for compensation. For example, in Norway, participating shops are provided with a proportional handling fee to cover the cost of operating the Deposit Return Scheme. **EPD CAN THUS CONSIDER** specifically subsidising retailers that are below specific square footage with the Recycling Fund.





## RECOMMENDATION 2.2

### Provide temporary rent reduction for small stores in proportional to the space taken by RVMs

Other than the costs in treating manual returns, small stores might also suffer when storage space is occupied by reverse vending solutions, exacerbating the negative impacts inflicted onto the retail industry from the pandemic. To further relieve their financial burden, **THE GOVERNMENT SHOULD CONSIDER** offering temporary rent reduction for small stores in the shopping centres and markets managed directly by the Housing Authority that are below certain square footage. Meanwhile, the reduction could be set as the proportion of space taken up by RVMs.



環境保護署

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Hong Kong Housing Authority







## RECOMMENDATION 2.3

### Develop mobile application of GREEN\$ Card with function of locating RVMs

Although the proposed PPRS will regulate all pre-packaged beverages carried in sealed plastic containers irrespective of the plastic materials used, **WE SUGGEST** EPD should also raise awareness of on-the-go plastic beverage containers. Several countries have co-developed mobile applications with NGOs to help the public locate their nearest drink packaging recycling point to achieve such a goal. For example, in the City of Leeds, On-Packet Recycle Label Ltd. created the 'We Recycle' App. By scanning the barcode on beverage packaging, the app will detect the type of plastic containers are composed of and inform the users of their nearest recycling point. However, the 'We Recycle' app was downloaded and used by very few people despite being promoted across multiple channels. In this connection, **WE SUGGEST** EPD incorporate such functions into the mobile application of GREEN\$ Card, instead of developing a single application, in the near future.



SECTION III.

## **A FURTHER ROLE OF THE SUPPLIERS**

Paragraph 4.9 of the Consultation Document suggests that **a recycling levy on the plastic-bottled beverages distributed in Hong Kong is imposed**. The paragraph also points out that **the major duties of beverage suppliers covering registration, data analysis, taxation, and auditing**.

Paragraph 5.3 of the Consultation Document further proposed that **EPD will examine the introduction of new measures at a suitable juncture**.

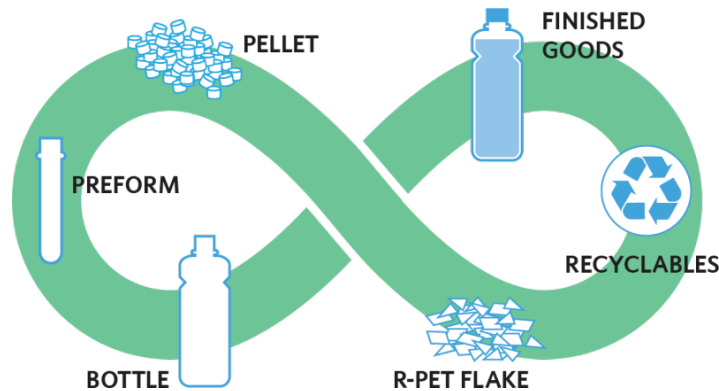
While **we welcome** EPD's proposal to impose a recycling levy covering the recycling fee and the rebate involved in the PPRS, we would like to highlight the importance to take a further step and close the supply chain loop by facilitating smart recycling.

### RECOMMENDATION 3.1

**Establish data management infrastructure – from design and creation to use and disposal – to keep track of every single plastic beverage container through the local supply chain**

The current PPRS proposal seeks to establish a closed-loop recycling mechanism that promotes and rewards consumers' participation and supports the reuse of materials in the circular economy. Nonetheless, **WE BELIEVE** that the only approach for scalable sustainability is the mass digitisation of plastic beverage containers, which allows all information about an individual product to be managed throughout its lifecycle. In Spain, for example, the EVERYTHING IoT platform enables suppliers to collect big data on consumer recycling behaviour in partnership with local authorities and industry bodies.

Notably, the new GSI Digital Link standard allows mass-market products to be individually digitalised at high volume and meagre cost. As stated by the HKSmart City Blueprint, the Government would “formulate initiatives to adopt new green technologies when they become commercially available”. **WE SUGGEST EPD** consider constructing a collaborative data management system with local suppliers. With a closed-loop process for tracking the trend of Hongkongers' recycling behaviour, we believe that the Government can renew the PPRS according to the analyzed data from time to time.



## SMART RECYCLING

The EVERYTHING IoT platform is powering an innovative recycling scheme in Spain in collaboration with Carrefour, leading CPG brands, industry bodies and local authorities. Rolled out to 600,000 residents, it is the largest such smart recycling scheme anywhere in the world.



Consumers get information at their fingertips about how to recycle product packaging, and then get rewarded for doing so.



Brands and retailers can actively drive sustainability initiatives, and collect valuable insights on consumer recycling behaviors.

### HOW IT WORKS





## CONCLUSION

The set of recommendations in the preceding three sections summarises our views on Hong Kong's Producer Responsibility Scheme on plastic beverage containers. Should you have any queries, please contact Edward Choi, Head of Policy Research and Advocacy by email at [edward@vairhk.com](mailto:edward@vairhk.com).

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